

EXHIBIT 1 – MINUTES, AUGUST 10, 2016

McMinnville Affordable Housing Task Force

Minutes from the Aug 10th meeting, Community Development Center

Attendees:

Sherl Hill (Business Representative)

Elise Hui (Executive Director, Housing Authority of Yamhill County),

Jon Johnson (VP, Commercial Loans)

Martha Meeker (City Manager)

Kellie Menke (City Councilor)

Heather Richards (City Planning Director)

Jeff Sargent (Executive Director Yamhill County Action Partnership – YCAP)

Absent due to scheduling conflicts: Remy Drabkin (City Councilor), Darrick Price (Executive Director, Community Home Builders) and Alan Ruden (Councilor)

Presentations: Chris Jones, Catholic Community Services Foundation

Guests: Mary Stern, Executive Director, Habitat for Humanity as well as Steve Rupp and Jerod Miller (interested citizens)

The meeting started with a review of the sub-committee's work on the draft ordinance language on SDC / Permit Fee exemptions with discussion focusing on the level of exemption to recommend to the Council. Initially the sub-committee recommended to leave the level of exemption up to the Council but City Manager Meeker requested the group make a recommendation to fill its role as an advisory group to the Council. The group discussed their initial assignment was to memorialize the existing practice of 60% exemption and then reviewed options to allow full exemption up to a certain dollar cap or set a point where funds from other parts of the City's budget would have to backfill SDC / Permit dollars. On the cap, there was concern expressed that this would allow one large project to potentially use the City's entire exemption for a year.

The group then discussed fundamentally what the exemption was set to do and agreed it was to maximize the number of units constructed. Towards this end, the group wanted an approach that would appeal to a number of builders and wanted to discourage the potential for all SDC / Permit exemptions going to one builder. The group also discussed the thought that SDC funding was money the City hadn't realized yet so it wouldn't necessarily be missed; however it was brought up that existing master plans for adding infrastructure to service a growing population were built on the concept of future revenue and the idea that the City wouldn't necessarily miss those dollars was not correct.

The group looked at 60% exemption and discussed per unit it would mean roughly \$7,200 in development fees with \$12,000 representing full exemption. As such, if the group established a cap (20 units was the largest affordable housing project in recent

memory), then going with a smaller exempted percentage would allow the dollars to be spread to more developments. Also, if an unusual circumstance arose with a swell in affordable housing builders, the group recommended a “review point” trigger on when a raise in the cap would be considered. Ultimately the group decided to fund at 60% exemption with a \$150,000 dollar cap and the staff would bring back amended language to add a review point as well as define affordable housing itself and add in provisions for reclaiming SDC and fees should a project end up not fulfilling its affordable housing responsibilities.

As for the types of builders the group wanted to target, it was discussed a list of the usual affordable housing builders could be developed or it could be left open to a simple 501C3 designation. From the staff’s perspective, the major concern expressed was ensuring any group considered would already be operating with some kind of grant oversight as the City does not have the staff to track grant dollars on its own. In the end, the group decided to let the subcommittee outline some options for the Task Force to look at during the next meeting.

It was acknowledged that Mary Stern was a member of the subcommittee but not an actual member of the Task Force. Also, it was mentioned that the subcommittee was heavily weighted with non-profits but the group was comfortable the subcommittee members would be able to arrive at language fairly representing the desires of the committee as a whole. Finally, the staff will bring a look at SDCs and permit fees the City has collected per year since 2000.

Next, Chris Jones from the Catholic Community Services Foundation in Salem gave a presentation on what the group has been doing on the affordable housing front as seven years ago they were given the opportunity to take over roughly 100 units scattered across Salem after another housing agency went under. They have since picked up additional units and work with the City of Salem (who represents HUD in the area) to maintain and operate them. It was asked if the Foundation had been involved with any other churches or agencies in its mission and Chris mentioned they had one small project where they built housing on land owned by another church but they didn’t have extensive experience in this. Chris mentioned Mountain West Investment in Salem may be interested in doing something in a partnership of land owners and builders but it was in the very early stages of discussion.

Looking forward, the group is looking at bringing in local churches in the area to see what they are interested in doing and someone to come in and provide a look at what the State is doing for affordable housing promotion.